



**Office of the Attorney General
Paul G. Summers**

**Department of Commerce and Insurance
Commissioner Anne Pope**

NEWS RELEASE

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**Attorneys General Announce \$51.5 Million Nationwide Settlement Agreement
with The Ford Motor Company**

Tennessee Attorney General Paul G. Summers today announced a \$51.5 million nationwide settlement with The Ford Motor Company resolving allegations of deceptive trade practices relating to the sales and advertising of Ford SUVs.

Tennessee along with Attorneys General in 52 other jurisdictions alleged Ford failed to disclose a known safety risk concerning tire failures with certain Firestone ATX and Wilderness AT tires which came equipped on some Ford SUV's. The states also alleged that Ford's advertising misled consumers as to the safe use of Ford SUVs. Other allegations included certain aftermarket tires sold through Ford's "Around the Wheel" program were the same tires as the tires that came equipped on Ford SUVs when that was not true. Ford denied any wrongdoing.

The states will use \$30 million from Ford to mount a nationwide public service consumer education campaign on SUV safety. Also, each of the 50 states, the District of Columbia, Puerto Rico, and the Virgin Islands will receive a payment of \$300,000. The remainder will be used to pay the costs of the states' investigation. Ford already has spent approximately \$2 billion to replace tires in the 53 jurisdictions.

“I’m pleased Ford has resolved this matter with the Attorneys General,” said Attorney General Summers. “This investigation was about fair advertising and the safety of Tennesseans.”

The states alleged that Ford continued to use the tires even after the company knew from many different sources the tires had an unacceptably high failure rate when used on Ford Explorers and Mercury Mountaineers and that using the tires made Ford’s SUVs more likely to roll over. The states also alleged that Ford misled consumers about the safe loading capacity and maneuverability of Ford SUVs, and that Ford deceptively advertised aftermarket tires as original equipment tires. The State alleged that Ford advertised the Explorer as being engineered to have “car-like” steering and handling even though the Explorer was a “truck” built on a truck Chassis, thus blurring the distinctions between the Explorer and passenger cars. Post-sale disclosures given to consumers only after the sale contradicted Ford’s advertisements and warned Explorer owners that the Explorer was not a passenger car and that its handling and steering were different than cars.

The State alleged Ford misled consumers by advertising consumers could safely load the Explorer up to its cargo volume capacity without regard to weight limitation and that Ford was “best in class” regarding cargo capacity. However, post-sale disclosures warned consumers cargo capacity was limited by weight, not by volume, and that safety risks, such as increased risk of tire failure and rollover, were associated with exceeding the weight limitations. Additionally, the State alleged the weight limitation for many models of the Explorer was less than that of competitors. For some models, the State alleged, if a consumer loaded the Explorer with popular options, and with a person in each seat, as advertised by Ford, the Explorer’s weight limitation would be exceeded with no capacity to safely carry cargo.

Besides providing funding for a national SUV safety campaign, the agreement contains a number of important provisions to enhance consumer safety. Some of those included prohibiting Ford from making misrepresentations about their vehicles its capabilities and safety and handling characteristics. The company must be able to substantiate any claims it makes with evidence. Ford must also provide safety information to anyone who requests it and in Spanish if requested.

The agreement spelled out a number of consumer education initiatives that Ford will launch in the coming year, which included advising consumers of steps they can take to reduce the potential for rollover or rollover-related injuries.

Today’s announced settlement does not preclude an individual’s right to assert legal claims against Ford.